



## Press Release

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### CPI Urges City Council to Reject “Walter Reed” Consultant

#### **Federal-style contract invites abuse, cuts into pool and library services**

The Center on Policy Initiatives is urging the San Diego City Council to reject Mayor Jerry Sanders' wasteful \$1.1 million contract with a federal consultant to manage the city's privatization program.

"The mayor's staff should have the capacity to manage these contracts. We don't need federal consultants to do that," said Murtaza Baxamusa, CPI Research and Policy Director. "This contract is a travesty, especially because it comes at the expense of swimming pool and library hours and other services city residents rely on."

Sanders' staff hired and began paying the firm, Grant Thornton LLP, last year without appropriate council approval, and the estimated cost has since almost doubled to \$1.1 million. The proposed contract would allow indefinite work additions at any time, a method used by the federal government that has led to contracting boondoggles.

A City Council vote is scheduled for 2 p.m. Monday.

Grant Thornton consulted on two high-profile and ill-fated federal privatization deals: Walter Reed Army Medical Center and airport screening services. The program manager for San Diego, Ramon Contreras, worked directly on the Walter Reed “managed competition” program.

"The city is following the federal contracting playbook that opens the door wide to waste, fraud and abuse," Baxamusa said. "The same consultants involved in the Walter Reed fiasco are coming to town with their bag of tricks."

San Diego's Independent Budget Analyst, Andrea Tevlin, has recommended reducing the Grant Thornton contract and using the money instead to restore swimming pool hours, library services, park maintenance and other needed city services.

Sanders is proposing to privatize many city services, and has hired Grant Thornton, a Virginia-based private contractor, to set the game plan and write the contracts for bidding work to other private contractors.

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